Manitoba

Preliminary Financial Report

Hon. Clayton Manness — Minister of Finance

For the Year Ended March 31, 1989

[redacted]

PROVINCE OF MANITOBA
NOTES TO THE PRELIMINARY UNAUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 1989

The following financial statements have been prepared by the Department of Finance and have not been audited by the Provincial Auditor. These statements have been prepared using the most current data available and it is anticipated that they will remain largely unchanged when final statements are prepared for the fiscal year.

The financial results of the fiscal year have been prepared on a basis consistent with the accounting policies of the Provincial Government which are detailed in the Public Accounts. The comparative data shown for the 1987-88 fiscal year has been recast to reflect the organizational structure of Departments as established in the 198[illegible] Estimates.

These preliminary year-end statements reflect the $200 million transfer to the Fiscal Stabilization Fund that was announced in the 1989 Budget Address. The finalization of this transfer and the financial statements for the 1988-89 fiscal year are dependent upon approval of the legislation required to establish the Fund, which is currently under consideration by the Legislature. The legislation provides for the establishment of the Fund effective March 31, 1989, with $200 million from the exceptional revenue received in the 1988-89 fiscal year. The purpose of the Fund is to stabilize the fiscal position of the government from year to year and to improve long-term fiscal planning.

The deficit for the year was $144.7 million or $51.2 million less than the initial budget estimate of $195.9 million. Total expenditures for the year were $4,487.6 million, down $72.9 million from the initial budget estimate of $4,560.5 million, while revenue, after the transfer of $200.0 million to the Fiscal Stabilization Fund was $4,342.9 million or $21.7 million less than the initial budget estimate of $4,364.6 million.

The estimated figures shown on the Statement of Expenditure (Schedule I) include only the authority provided in the Main Estimates at the beginning of the fiscal year. In addition, supplementary funding of $67.4 million was authorized by Special Warrant during the fiscal year and Statutory Appropriations were reduced by $68.4 million due to a decrease in requirements, resulting in a net decrease in expenditure authority for the fiscal year to $4,559.5 million. Of this, approximately $71.9 million lapsed at year-end.

	(Millions of Dollars)
Main Estimates	$4,560.5
Special Warrants	67.4
Decrease in Statutory Appropriations	(68.4)
Total Expenditure Authority	$4,559.5
Total Actual Expenditures	4,487.6
Total Expenditure Authority Lapsed	$ 71.9

Supplementary funds were approved by Special Warrant to meet cost increases related to Public School Support ($16.4 million); the Northern Flood Agreement ($8.9 million); Allowances for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities ($8.2 million); Social Allowances programs ($4.0 million); Fire Suppression ($3.3 million); Manitoba Housing and Renewal Corporation ($3.2 million); and other miscellaneous departmental requirements.

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PROVINCE OF MANITOBA
STATEMENT OF DIRECT AND GUARANTEED DEBT
AS AT MARCH 31, 1989
(with figures shown for March 31, 1988)
(UNAUDITED)

	1989	1988	NET INCREASE (DECREASE)
	(Thousands of Dollars)		
DIRECT DEBT:			
Gross Direct Debt	$10,349,564	$9,920,535	$ 429,029
Less:			
Sinking Funds - Cash and Investments	1,503,699	1,295,362	208,337
Net Direct Debt	$ 8,845,865	$8,625,173	$ 220,692
GUARANTEED DEBT:			
Gross Guaranteed Debt	$ 2,012,410	$1,951,360	$ 61,050
Less:			
Sinking Funds - Cash and Investments	276,960	262,801	14,159
Net Guaranteed Debt	$ 1,735,450	$1,688,559	$ 46,891
Total Direct and Guaranteed Debt - Net of Sinking Funds	$10,581,315	$10,313,732	$ 267,583
PURPOSE OF DEBT			
Crown Corporations, Agencies, Boards and Commissions	$5,569,470	$5,330,699	$ 238,771
Other Purposes	215,145	235,146	(20,001)
	$5,784,615	$5,565,845	$ 218,770
Less:			
Sinking Funds - Cash and Investments	449,243	414,218	35,025
	$5,335,372	$5,151,627	$ 183,745
General Government Programs	$6,577,359	$6,306,050	$ 271,309
Less:			
Sinking Funds - Cash and Investments	1,331,416	1,143,945	187,471
	$5,245,943	$5,162,105	$ 83,838
PER CAPITA DEBT INFORMATION			
	(Dollars)		
Crown Corporations, Agencies, Boards and Commissions and Other Purposes (Net)	$ 4,922	$ 4,775	$ 147
General Government Programs (Net)	4,839	4,784	55
	$ 9,761	$ 9,559	$ 202

PROVINCE OF MANITOBA

NOTES TO STATEMENT OF DIRECT AND GUARANTEED DEBT

1. Debt payable in foreign currencies is stated at the Canadian dollar equivalent converted at the exchange rates in effect at March 31, 1989 and March 31, 1988. An improvement in exchange rates during this period reduced gross direct debt by $612.1 million, resulting in a net increase of $429.0 million, and reduced gross guaranteed debt by $45.6 million, for a net increase of $61.0 million.

2. General Government Programs include $399.1 million of cumulative redeemable retractable 9 1/4% preferred shares issued by Manitoba Properties Inc. and guaranteed by the Province.

3. Per capita data is based upon population figures at June 1, 1988 and June 1, 1987 as reported by Statistics Canada.

PROVINCE OF MANITOBA
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1989
(with comparative figures for March 31, 1988)
(UNAUDITED)

BEFORE STABILIZATION

1987-88	1988-89	NET INCREASE (DECREASE)		1988-1989 ACTUAL	1988-1989 ESTIMATED	1988-1989 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
4,338,375	4,487,649	149,274	Total Budgetary Expenditures - Schedule I (1)	4,487,649	4,560,542	(72,893)
4,038,808	4,542,944	504,136	Total Revenue Before Transfer To Fiscal Stabilization Fund - Schedule II	4,542,944	4,364,572	178,372
(299,567)	55,295	354,862	Surplus (Deficit)	55,295	(195,970)	251,265

AFTER STABILIZATION

4,338,375	4,487,649	149,274	Total Budgetary Expenditures - Schedule I (1)	4,487,649	4,560,542	(72,893)
4,038,808	4,342,944	304,136	Total Revenue - Schedule II	4,342,944	4,364,572	(21,628)
(299,567)	(144,705)	154,862	Surplus (Deficit)	(144,705)	(195,970)	51,265

NOTE: (1) Total budgetary expenditure for 1988-89 includes $275.8 million of expenditure related to capital items (1987-88 - $253.3 million).

SCHEDULE I

PROVINCE OF MANITOBA
STATEMENT OF EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1989
(with comparative figures for March 31, 1988)
(UNAUDITED)

1987-88	1988-89	INCREASE (DECREASE)		1988-1989 ACTUAL	1988-1989 ESTIMATED	1988-1989 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
9,785	15,618	5,833	Legislation	15,618	16,959	(1,341)
2,610	3,153	543	Executive Council	3,153	3,294	(141)
72,792	96,104	23,312	Agriculture	96,104	115,175	(19,071)
123,788	134,273	10,485	Attorney-General	134,273	131,569	2,704
61,062	63,654	2,592	Civil Service	63,654	66,405	(2,751)
178,378	190,138	11,760	Community Services	190,138	194,550	(4,412)
8,421	7,518	(903)	Cooperative, Consumer and Corporate Affairs	7,518	7,178	340
19,295	20,605	1,310	Culture, Heritage and Recreation	20,605	21,670	(1,065)
766,346	808,255	41,909	Education	808,255	791,590	16,665
251,794	266,354	14,560	Employment Services and Economic Security	266,354	266,565	(211)
24,513	13,586	(10,927)	Energy and Mines	13,586	13,960	(374)
12,196	13,619	1,423	Environment and Workplace Safety and Health	13,619	14,860	(1,241)
711,239	674,527	(36,712)	Finance	674,527	745,359	(70,832)
129,025	140,771	11,746	Government Services	140,771	142,804	(2,033)
1,336,998	1,429,348	92,350	Health	1,429,348	1,458,135	(28,787)
208,706	216,969	8,263	Highways and Transportation	216,969	220,130	(3,161)
46,434	49,997	3,563	Housing	49,997	48,227	1,770
36,298	32,985	(3,313)	Industry, Trade and Tourism	32,985	38,157	(5,172)
10,035	9,934	(101)	Labour	9,934	9,975	(41)
39,518	42,922	3,404	Municipal Affairs	42,922	43,475	(553)
98,591	111,013	12,422	Natural Resources	111,013	109,727	1,286
33,512	43,221	9,709	Northern Affairs	43,221	35,384	7,837
-	47	47	Seniors Directorate	47	200	(153)
64,262	76,617	12,355	Urban Affairs	76,617	77,044	(427)
1,961	2,782	821	Flood Control and Emergency Expenditures	2,782	2,750	32
15,370	23,639	8,269	Allowances for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities	23,639	15,400	8,239
-	-	-	Year End Savings	-	(30,000)	30,000
4,262,929	4,487,649	224,720	TOTAL BEFORE EXTRAORDINARY EXPENDITURE	4,487,649	4,560,542	(72,893)
16,386	-	(16,386)	Extraordinary Expenditure: Workers Compensation Board	-	-	-
59,060	-	(59,060)	Manitoba Public Insurance Corporation	-	-	-
4,338,375	4,487,649	149,274	TOTAL BUDGETARY EXPENDITURE	4,487,649	4,560,542	(72,893)

SCHEDULE II

PROVINCE OF MANITOBA
STATEMENT OF REVENUE
FOR THE YEAR ENDED MARCH 31, 1989
(with comparative figures for March 31, 1988)
(UNAUDITED)

1987-88	1988-89	INCREASE (DECREASE)		1988-1989 ACTUAL	1988-1989 ESTIMATED	1988-1989 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
			TAXATION:			
			Attorney-General			
10,107	15,515	5,408	- Land Transfer Tax	15,515	12,960	2,555
			Cooperative, Consumer and Corporate Affairs			
21,022	22,488	1,466	- Insurance Corporations Tax	22,488	21,000	1,488
			Finance			
			- Canada-Manitoba Income Tax Collection Agreement			
167,025	201,057	34,032	- Corporation Income Tax	201,057	211,100	(10,043)
989,070	1,029,943	40,873	- Individual Income Tax	1,029,943	1,040,800	(10,857)
58,383	59,672	1,289	- Corporation Capital Tax	59,672	59,900	(228)
119,550	121,957	2,407	- Gasoline Tax	121,957	120,000	1,957
187,538	199,191	11,653	- Levy for Health and Education	199,191	199,800	(609)
28,297	151,325	123,028	- Mining Tax	151,325	117,360	33,965
71,562	64,876	(6,686)	- Motive Fuel Tax	64,876	64,000	876
8,357	5,705	(2,652)	- Oil and Natural Gas Tax	5,705	8,300	(2,595)
5,193	5,035	(158)	- Pari Mutuel Tax	5,035	5,000	35
566,999	594,708	27,709	- Retail Sales Tax	594,708	596,000	(1,292)
41,414	45,812	4,398	- Revenue Act, 1964, Part I	45,812	43,500	2,312
93,907	98,725	4,818	- Tobacco Tax	98,725	94,400	4,325
17,856	16,497	(1,359)	- Reciprocal Taxation	16,497	18,000	(1,503)
154	394	240	- Other Taxes	394	155	239
2,386,434	2,632,900	246,466		2,632,900	2,612,275	20,625
			OTHER REVENUE:			
9,573	10,349	776	Agriculture	10,349	11,009	(660)
23,539	23,037	(502)	Attorney-General	23,037	22,754	283
3,782	3,991	209	Community Services	3,991	4,140	(149)
5,693	6,467	774	Cooperative, Consumer and Corporate Affairs	6,467	5,501	966
12,371	12,910	539	Education	12,910	13,829	(919)
5,411	4,633	(778)	Energy and Mines	4,633	5,258	(625)
3,484	2,290	(1,194)	Finance	2,290	1,100	1,190
4,212	4,504	292	Government Services	4,504	4,582	(78)
43,782	40,816	(2,966)	Highways and Transportation	40,816	44,928	(4,112)
46,408	39,500	(6,908)	Natural Resources	39,500	38,415	1,085
151,452	150,202	(1,250)	Liquor Control Commission	150,202	153,000	(2,798)
-	10,000	10,000	Lottery Revenues for Health	10,000	10,000	-
23,801	25,723	1,922	Other	25,723	25,719	4
333,508	334,422	914		334,422	340,235	(5,813)

1987-88	1988-89	INCREASE (DECREASE)		1988-1989 ACTUAL	1988-1989 ESTIMATED	1988-1989 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
			GOVERNMENT OF CANADA:			
66,884	71,187	4,303	Community Services	71,187	77,400	(6,213)
26,869	25,997	(872)	Education	25,997	26,641	(644)
116,698	125,325	8,627	Employment Services and Economic Security	125,325	122,127	3,198
7,770	7,590	(180)	Northern Affairs	7,590	8,090	(500)
31,1^4	37,668	6,564	Other	37,668	34,688	2,980
			Finance:			
620,464	863,096	242,632	- Equalization	863,096	655,700	207,396
434,081	426,056	(8,025)	- Established Programs Cash Transfer	426,056	455,000	(28,944)
2,224	2,214	(10)	- Government of Canada Subsidy	2,214	2,300	(86)
1,306,094	1,559,133	253,039		1,559,133	1,381,946	177,187
4,026,036	4,526,455	500,419	TOTAL CURRENT OPERATING PROGRAMS	4,526,455	4,334,456	191,999
			REVENUE RELATED TO CAPITAL:			
			Other Revenue:			
1,804	3,056	1,252	Government Services	3,056	5,61:	(2,555)
1,361	1,166	(195)	Highways and Transportation	1,166	1,525	(359)
-	31	31	Housing	31	-	31
601	439	(162)	Natural Resources	439	525	(86)
-	-	-	Northern Affairs	-	600	(600)
1,100	1,961	861	Urban Affairs	1,961	2,798	(837)
829	920	91	Sale of Government Assets	920	2,200	(1,280)
5,695	7,573	1,878		7,573	13,259	(5,686)
			Government of Canada:			
-	-	-	Attorney-General	-	3,045	(3,045)
-	-	-	Education	-	3,000	(3,000)
2,309	3,477	1,168	Highways and Transportation	3,477	3,818	(341)
-	20	20	Housing	20	-	20
1,256	633	(623)	Industry, Trade and Tourism	633	1,559	(926)
323	1,497	1,174	Natural Resources	1,497	1,530	(33)
2,166	1,514	(652)	Northern Affairs	1,514	1,568	(54)
1,023	1,775	752	Urban Affairs	1,775	2,337	(562)
7,077	8,916	1,839		8,916	16,857	(7,941)
12,772	16,489	3,717	TOTAL REVENUE RELATED TO CAPITAL	16,489	30,116	(13,627)

1987-88	1988-89	INCREASE (DECREASE)		1988-1989 ACTUAL	1988-1989 ESTIMATED	1988-1989 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
4,038,808	4,542,944	504,136	TOTAL REVENUE BEFORE TRANSFER TO FISCAL STABILIZATION FUND	4,542,944	4,364,572	178,372
-	200,000	200,000	Transfer to Fiscal Stabilization Fund	200,000	-	200,000
4,038,808	4,342,944	304,136	TOTAL REVENUE	4,342,944	4,364,572	(21,628)

PROVINCE OF MANITOBA
STATEMENT OF THE FISCAL STABILIZATION FUND
FOR THE YEAR ENDED MARCH 31, 1989
(UNAUDITED)

	(Thousands of Dollars)
Opening Balance as at April 1, 1988	-
Transfer from General Revenue as at March 31, 1989	200,000 (1)
Closing Balance as at March 31, 1989	200,000

NOTE: (1) The Fiscal Stabilization Fund was announced in the 1989 Budget. The Fund is to be established effective March 31, 1989 with $200 million from the exceptional revenue flows in 1988-89. The finalization of this transfer and the financial statements for the 1988-89 fiscal year are dependent upon approval of the legislation required to establish the Fund, which is currently under consideration by the Legislature.